

NRO review(s) completed.

1. What is the difference between the contracting performed by the SAFSP and the USAF Special SIGINT Center?

NRO Staff

SAFSP is NRO Program A and, as such, routinely conducts

contracting. The USAF Special SIGINT Center is probably the USAF Special Security Office which is responsible for security oversight of SCI contracts executed

by their administrative headquarters.

Also, the NRO's exclusive mission is to develop, acquire and operate overhead reconnaissance systems for the collection of national intelligence.

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2. Why is there a difference between the physical Security standards for [] SCI materials; and can they be standardized?

SSC

Basically there is no difference. The USIB Policy Statement effective 30 April 1973 established the minimum physical security standards for all SCI.

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25X1 3. Is the [] manual going to be revised and when?

25X1 SSC

The SSC is currently engaged in a preliminary review of the [] manual to determine those sections which need to be revised. It is planned that the manual can be updated and reissued during the second half of 1978.

ISB

25X1 The [] Industrial Security Manual' is also in the process of being revised.

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4. What method of procedure should be used to permit the
25X1 release of technology on [] to other government
agencies and for commercial use?

OD&E/SS

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The contractor should submit a formal request describing
the technology proposed to be released to the COTR and to the
cognizant security officer. The request should also propose
25X1 a method to securely explain the existence of the technology,
25X1 []

[] No release shall be made
until written approval from the COTR and S.O. is received.

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5. Can the procedures for releasing intelligence to contractors be simplified?

SSC

A discussion of specific procedures for the release of intelligence product materials to Contractors is not considered appropriate to this forum. In general, however, it is believed that the present procedures are meeting current needs. These procedures include obtaining the originator's concurrence on such release and ensuring there is a current valid requirement for the contractor to receive such materials. These are considered essential and necessary steps to be taken.

OD&E/SS

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As far as the release of [] is concerned, the response to Question number 4 would apply.

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6. What is the policy of the Government in reimbursing industry for extraordinary security costs?

OD&E/SS

First of all, it must be realized that only the Contracting Officer can commit the Government to spend money. If the contractors receive recommendations from a security audit team, they are to consider these recommendations as preliminary only, and the contractor should not implement any recommendations which cost money. Further, it is emphasized that the Government will not be responsible to pay any costs until Contracting Officer has reviewed and agreed with the audit team's formalized recommendations, until the contractor has priced same, and the contracting officer and security officer have formally approved such an expenditure. Basically, security costs of an overall general nature should be considered as an overhead expense and special requirements imposed by us should be looked at to see if they qualify as a direct cost.

D/OL

See Attached memorandum.

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MEMORANDUM FOR: Deputy Director for Science and Technology
VIA: Acting Deputy Director for Administration
FROM: James H. McDonald
Director of Logistics
SUBJECT: Industrial Security Procedures Relating
to Agency Funded Contracts

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1. It has recently been brought to my attention that several office heads in DDS&T have issued instructions to their Contracting Officer's Technical Representatives (COTR) regarding the COTR's security responsibilities for Agency contracts. This increased awareness and attention to Agency industrial security procedures is most welcome and gratifying; however, COTRs must be alert to the fact that any direction to the contractor which is not consistent with the terms of the contract may result in claims for additional cost.

2. In connection with Agency funded contracts, the focal point for security instructions to contractors should be either through the team contracting officer or team security officer, and in those offices not having contracting teams, it should be through the appropriate contracting officer in the Procurement Division or the Security Staff/OL. I am confident if COTRs representing the DDS&T offices effect proper liaison and coordination in advance that directives issued by the DCI concerning industrial security can be properly implemented without overriding established channels and creating confusion in the minds of our contractors.

James H. McDonald

cc: A-DDA

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OS 8 0034

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7. Is the Government going to furnish secure voice to contractors?

COMSEC

The Agency intends to provide contractors with secure voice equipment as rapidly as resources and equipment become available.

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8. Can Headquarters implement a system or procedure to ensure a closer coordination between the technical personnel and the Government and contractor's security personnel?

OD&E/SS

This appears to be a problem which requires a continuing security educational program. We in Security cannot and should not try to preclude Government and contractor technical personnel from meeting. What we must do is to be aware of who is visiting whom, on what programs, if appropriate access approval has been passed, and are attendees at any meeting properly cleared. We also must be sure that all technical personnel are knowledgeable enough to know when they have to contact their security officers for required support. If they know what should be done and still don't follow the rules, appropriate management pressure should be brought to bear to enforce the rules.

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11. Can Headquarters provide more information concerning briefings of personnel traveling to hazardous areas?

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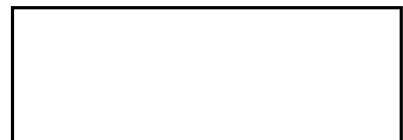


ISB

We plan to include such briefing information in the forthcoming "Industrial Security Manual(s)."

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12. What is the future plan for the use of a [] approval and indoctrination?

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ISB Note to D/S

25X1 This is currently an unresolved area. The DCI has ordered
25X1 elimination of [] in industry, but at the same time, has
25X1 ordered elimination of [] The Department of Defense
(non-NRO) has granted [] to Contractor employees
who require continual or frequent unescorted access to
25X1 Communications Centers where [] is pro-
cessed for equipment installation and maintenance purposes.
Some such access is required for these Communications Centers
to remain in business.

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13. What are the significant changes anticipated in the [] system?

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The following significant changes in the [] system are anticipated.

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- a. More stringent steps will be taken in the clearance process.
- b. There will be a requirement for periodic inspections and security audits at each contractor facility.
- c. The discontinuance of the [] for industry.

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14. Request Headquarters provide classification guidance and clarification of the marking requirements for [] Studies.

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SSC

[] Studies will be assigned a specific study number. All documentation pertaining to this study should be marked and controlled in the same manner as a codeword project. The classification SECRET or TOP SECRET, together with the study number, must be affixed to this documentation.

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15. What are the reporting requirements relative to international marketing activities within the CONUS?

OD&E/SS

No classified information can be discussed at any such meeting without the prior approval of the sponsor. All contacts with foreign nationals by individuals briefed on our programs must be reported to Headquarters. Reports of any untoward incidents at such meetings should also be reported.

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20. What procedures are required in the reproduction and graphics control of [] classified material?

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ISB (Note: This appears to us to be more than one question. The answer is, therefore, long and complicated.)

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1. The following guidance extracted from [] Industrial Security Manual" [] currently applies with respect to the reproduction and control of [] classified graphics material:

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Section II, Paragraph 15, GRAPHIC ARTS PRESENTATIONS:

Only sufficient copies of Project documents necessary to meet operational requirements shall be prepared and reproductions shall be destroyed as soon as they have served their purpose. Reproduction and reproduction facilities shall be rigidly controlled by the contractor and persons operating such facilities shall be approved at a Phase II level as a minimum requirement. Any use of outside facilities for reproduction of Project material must be approved in advance by the Project Headquarters Security Office.

Section II, Paragraph 9a.(3)(a)3):

Visual Aids, Maps, Artwork, Blueprints, etc. The assigned classification and Project indicator shall be affixed under the legend, title block, or scale, and at the top and bottom in such manner that they will be

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reproduced on all copies. In addition, the caveat

[redacted] will be placed

conspicuously at the lower right hand corner of each time.

Section II, Paragraph 11a.(1):

Project documents, all of which must be dated, should be maintained in the closed Project area [redacted]

U.S. Government [redacted] Center except when in transit. It is not necessarily intended that all internal Project documents be assigned control numbers, however, when assigned a number, such a document becomes accountable. Those documents originated and maintained in closed Project areas for internal use need not be so numbered unless the documents are 90 days old or the contractor desires to exercise his option of assigning such numbers. Numbers must be assigned to all "in house" generated TOP SECRET material and documents even though the material or document is to remain in the Project-closed area and all classified documents are to be numbered when put in transit between Project Headquarters and the contractor's facility or between two contractors' facilities. The marking and control numbers on the documents will be affixed and assigned by the originating facility in accordance with Paragraph 9a. It is

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recognized that certain Project documents and materials, perhaps because of their low level of sensitivity or because of their great volume or both, might necessarily be exempted from the more stringent document numbering and logging requirements. The judgment on such exempting must be rendered by Project Headquarters Security Office. All Project documents, whether stamped and accountable or not, will be handled, stored and destroyed in accordance with [] standards set forth herein.

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2. When it becomes necessary to number Project graphics materials in accordance with the criteria stated in Paragraph 11a.(1) immediately above, the following guidance from Section II, Paragraph 9a.(7) applies:

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A [] in addition to the document copy number will be placed in the upper or lower right hand corner of all pages, attachments, addenda and tabs.

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[] will be structured as follows:

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3. You are reminded that although not all Project materials are given [redacted] the following guidance taken from Section II, Paragraph 9b of [redacted] does apply to all materials, including graphics, which contain classified Project information:

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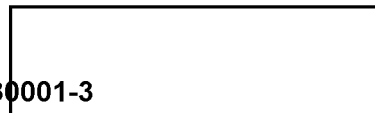
In addition to the required classification markings, all material containing classified Project information shall be marked as appropriate with the caveat prescribed below. The caveat shall be affixed conspicuously at least once on all classified material in the custody of or reproduced by the contractor. In addition, when a copy, extract or paraphrase of a document contains classified project information or when a page, chapter, or any other part is separated from a document, the extract shall also be marked conspicuously at least once with the following caveat:



This statement will be stamped conspicuously on the first page and cover of all documents.

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21. What procedures are required in the distribution of TWX's and the handling of classified working papers?

COMSEC

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Only personnel appropriately approved at [] level are authorized to see TWX's. The distribution of TWX's must be limited to the greatest extent possible and TWX's to be retained as permanent records must be handled as accountable documents. The communication facility copies of TWX's may be retained for a maximum of 90 days and then destroyed.

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The distribution of working papers must be limited to appropriately approved personnel and the use of working drafts discouraged as much as possible. Working papers must either be destroyed within 90 days or converted to accountable documents.

NOTE: The cognizant Headquarters communications offices have already advised contractors that TWX's may be retained for a maximum of 90 days and then destroyed.

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25. Can the Government provide better guidance on the acceptance or rejection of the various electronic/mechanical devices and systems being developed by the Security industry?

ISB

Yes, we plan to include such guidance in the new Security Manuals.

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26. What is the policy concerning the use of video cassettes for security indoctrinations, and is there any plan to utilize this technique to ensure standardization of briefings?

COMSEC

The use of video cassettes is approved provided that TEMPEST-approved recording and playback equipment is utilized.

Note: Above response contingent upon SSC's policy decision on use of video cassettes for security indoctrination.

SSC

We would have no objection to the use of TEMPEST-approved video cassettes for security indoctrination, provided that an appropriately accessed and knowledgeable Security Officer were available to answer questions which might be raised by the individual being indoctrinated. This procedure, however, should not become the sole method of indoctrination. It is an aid, but not a substitute for the Security Officer in the area of security education and indoctrination.

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27. How does the smaller contractor resolve the problem of fewer clearances with the technical requirement of needing a large base of cleared personnel?

OD&E/SS

Our objective is to reduce the total number of individuals with codeword accesses. If a single contractor has a unique problem, it will be addressed individually. What we have done is to reduce overall as much as possible and use the available billets where we see the most pressing need.

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28. What is the policy and procedure to be followed concerning Memorandum of Agreements with other Government agencies?

SSC

The requesting agency will obtain the necessary approvals for joint utilization from the cognizant agency by memorandum or TWX. When the approval is obtained, that agency will then be responsible for preparing the MOA and obtaining the necessary signature from the cognizant agency.

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31. Is there currently a billet structure for
if so, how does it work?

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OD&E/SS

We are under orders from the DCI to reduce
to the greatest extent possible. The number approved at the
end of CY77 cannot exceed the number last June. What we have
done is to attempt to get an overall reduction and only
approve new requests up to the limit of our reductions.

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32. What is the availability and plans for more frequent technical inspections at contractor facilities?

COMSEC

There are approximately ten contractor facilities scheduled for TEMPEST tests during calendar year 78.

TSD

Resources to conduct technical inspections are extremely limited; however, our intent is to conduct as many inspections as our resources will permit.

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33. What are the new criteria on physical security requirements, if any, and will these be standardized?

SSC

The USIB directive of 1973, provides the current minimum criteria on physical security standards.

ISB

Revised physical security requirements will be included in the new "Industrial Security Manual(s)," and will be applicable to Agency [redacted] contracts under our cognizance.

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37. What is the Government position on Direct/Indirect security costs in view of changing requirements?

See answer to Question 6.

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40. What is planned for future symposiums, regarding (participation of) Senior Management personnel and the Project Management level?

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We will have to evaluate the efficacy of the current symposium before planning any additional meetings.

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44. Could there be established a formal [] Security Committee represented by both government and industry to help standardize policy relative to personnel and physical security and data management?

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25X1 We welcome industry's input on all [] issues; however, the U.S. Government must be the organization which establishes [] policy.

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46. Can Headquarters provide to the contractors a formalized inspection list for all inspections of their facilities?

COMSEC

The Office of Communications Security Staff can provide contractors with an inspection guide.

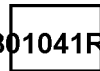
ISB/OS

It is ISB's position that contractor compliance with the Manual would obviate the need for such a checklist; hence, we would recommend against formulation of the requested inspection guide.

47. See Question 30.

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47. See Question 30.

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48. What is the policy concerning the classification, markings, control and auditing of rough drafts?

OD&E/SS

Rough drafts are to be controlled as Working Papers, and either entered into the System or destroyed at the end of 90 days. They should be classified according to their content.

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49. With the reduction of available billets and the necessity to debrief top management in many cases, how does Headquarters suggest contractors handle proposal, responses, and joint proposals with other companies when management coordination is necessary?

OD&E/SS

We don't believe that too many in top management have been debriefed. If top management support is required and sufficient justification is received, "billets" will be made available. Still, many personnel in each firm who are not involved in direct support of codeword programs should be debriefed.

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50. What is the current status of Gray procurements in Prime-subcontractor relationships?

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OD&E/SS

We are not sure what was meant by the question. Any cases of so-called Gray procurement or 'Special Procurements' would be assessed on their individual merits, and a decision made at that time as to how to proceed.

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